

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 312 – SB 419

March 19, 2013

SUMMARY OF ORIGINAL BILL: Authorizes the free issuance of a new specialty license plate for any active-duty firefighter in good standing and up to date with training requirements.

FISCAL IMPACT OF ORIGINAL BILL:

Decrease State Revenue - \$455,100/Highway Fund
\$9,300/General Fund

Increase State Expenditures - \$92,100/One-Time

SUMMARY OF AMENDMENT (003616): Deletes all language after the enacting clause and substitutes new language that substantively conforms to the original bill but adds the requirement that a person receiving the free plate must pay any applicable local tax, including but not limited to, the wheel tax.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.


Assumptions for the bill as amended:

- There are approximately 21,600 firefighter plates currently issued.
- The annual fee for the current firefighter plate is \$21.50.
- All firefighters currently paying for existing firefighter plates will choose to receive the new plate free-of-charge.
- The recurring decrease in state revenue is estimated to be \$464,400 (\$21.50 current price x 21,600 currently-issued firefighter plates).
- Pursuant to Tenn. Code Ann. § 55-6-107, revenue from the current plates is apportioned 98 percent to the Highway Fund and two percent to the General Fund.
- The recurring decrease in state revenue to the Highway Fund is estimated to be \$455,112 (\$464,400 x 98%).

- The recurring decrease in state revenue to the General Fund is estimated to be \$9,288 (\$464,400 x 2%).
- A one-time cost of approximately \$250 to design the new plate.
- The cost to manufacture each new plate to \$4.25.
- The one-time increase in state expenditures to design and manufacture the new plates is estimated to be \$92,050 [(\$4.25 x 21,600) + \$250].
- The fiscal impact of the original bill assumed that recipients of free plates will still be liable for applicable local government taxes and fees associated with licensing and registration. As a result, the fiscal impact for the bill as amended is unchanged from the fiscal impact estimated for the original bill.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" and last name "Geise" clearly distinguishable.

Lucian D. Geise, Executive Director

/cce